



**PUBLIC INTEREST ADVOCACY CENTRE**  
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April 7, 2009.

**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC) Comments  
Procedural Order #2 : EB-2008-0230  
Greater Sudbury Hydro Inc. (GSHI)  
2009 Electricity Distribution Rate Application**

As requested the following are the comments of the Vulnerable Energy Consumers Coalition (VECC) on the Procedural Questions in P.O. #2 in the above-noted proceeding.

In formulating its response to the questions VECC has considered three factors

- Impact of the requested rate increase and the fact that the 2009 RR is a base for 3GIRM
- Discovery to date and responsiveness of utility IRRs
- Cost/efficiency of the regulatory process

Based on review of the process to date VECC notes that, using the Board's bill impact criterion, the increase in Greater Sudbury's proposed 2009 RR is significant particularly for low use residential customers. The materiality of the proposed increase is important to the level of scrutiny required by intervenors and the Board.

*(a) whether further discovery is required, either in the form of further interrogatories or a technical conference;*

Greater Sudbury has been responsive to most questions from Board Staff and intervenors. However a review of responses indicates that some follow up/clarifications are needed.

Examples of incomplete responses or responses where additional information is needed are provided in the Attachment to this letter.

Given the size of the utility, VECC believes that costs can be kept in line with either a second round of IRs and/or a technical conference with written questions provided in advance,

*(b) whether a Settlement Conference would be appropriate;*

Should the Board decide that clarification will be provided by means of a Technical Conference, such could be combined, and VECC would support, with a Settlement Conference as an efficient means to settle and/or scope the issues.

*(c) whether a written or oral hearing is preferred.*

It is difficult to predict the situation following a Settlement Conference. VECC suggests that if there are material unsettled issues, there could be a requirement for an oral hearing phase. Alternatively, if several issues have been settled or scoped, then final written submissions from parties may suffice.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC

cc: Greater Sudbury Hydro Inc.

## **Attachment to VECC Letter on Procedural Matters**

### **Greater Sudbury Hydro Inc. (GSHI)**

#### **NEED FOR ADDITIONAL DISCOVERY (IR'S or Tech. Conference)**

##### **General**

VECC submits that it would be useful if Greater Sudbury would summarize any corrections it has made or revisions it is proposing to its Application as a result of the interrogatory process noting their impact on the revenue deficiency and/or proposed rates and the relevant IR response.

##### **OEB Staff #12**

The response to part (c) suggests that updating the economic forecast from that used in the THES Application would lead to an increase in the load forecast for 2009. This result is at odds with the responses to a similar question asked of other Distributors applying for 2008 rates based on a cost-of-service application. It would be useful if Greater Sudbury provided a schedule that set out the sources and values for its updated economic forecast and contrasted those values with what was used in the original Application,

##### **VECC #2**

The answer referred to SEC IR#10 part o). This indicates water services are charged on an incremental cost and none of the CIS upgrade will be charged to the City Water Service. VECC has follow up clarification questions.

##### **VECC #10**

With respect to the response to part (a), Greater Sudbury states that the CDM impacts would not be adequately reflected in the predicted values. This response suggests that the 2006 and 2007 programs will have some impact on the predicted values for 2008 and 2009. However, Greater Sudbury's adjustment calculation assumes there was none. It would be useful if Greater Sudbury reconciles these points.

With respect to the response to part (b), the question was seeking clarification as to how the specific adjustments for 2006-2009 were calculated. What should be provided is a schedule setting out how each year's kWh adjustment was determined. Ideally the values used reconcile and be cross-referenced to the values used in Exhibit 9/Tab 1/Schedule 10.

### **VECC # 15**

Part b) of the question asked for a reconciliation of the results to the costs shown in Tables 4.2.2-1 and 4.2.2-2. The response is incomplete.

Parts c-d) referred to SEC response #16 and Board Staff #25. These do not fully respond to the VECC questions e.g. ranges of allocations are indicated and general allocators are used.

The response to parts e) –g) indicated the answer is available within the working papers that are provided in response to question 15(a) part II. However, while the working papers address 16 service groups and 2008 and 2009 costs and shows the amounts allocated to each affiliate, they provide no information on methodology, direct allocations and cost drivers.

### **VECC#24 b)**

The response did not address the original question which was how the percentages shown in the column “100% Cost Allocation” were determined (e.g., how was the 59.42% value for Residential calculated?).

### **VECC #28 b)**

Greater Sudbury should clarify whether it is proposing to revise its proposed rates so as to recover the transformer ownership discount payable to eligible West Nipissing GS>50 customers.

### **VECC #31 (d) & (e)**

Greater Sudbury has not provided the requested information.

### **Question # 33**

Part a) asked for copies of the OPA Every Kilowatt Counts (EKC) Program Calculators (2) for the 2006 and 2007 EKC Campaigns. The response stated: See attached files for the 2006 OPA Campaigns. No SSM/LRAM claims have been made for the 2007 EKC Campaign.

Part d) asked for a recalculation of the LRAM/SSM claims using the OPA EKC 2007 input assumptions for CFLs and provide revised versions of Tables 2 and 3

Response GSHI has not received 2007 OPA EKC input assumptions for CFLs and therefore cannot recalculate the LRAM/SSM claims based on these assumptions.

In VECC's view the responses are incomplete. In particular, the 2007 EKC calculator is available from OPA and should be used to respond to the questions a) and d).